

Chapter 2

Issues raised in evidence

Introduction

2.1 This chapter discusses the issues raised in evidence in relation to the cessation of both international and domestic shortwave radio services by the Australian Broadcasting Corporation (ABC). Issues relating to specific provisions of the bill and the independence of the ABC are also discussed.

2.2 The committee's views on the bill are provided at the end of this chapter.

Cessation of international shortwave services

2.3 The committee received a number of submissions which raised concerns about the impact of the cessation of the ABC's international shortwave services. These concerns included the perceived neglect of remote communities in the Pacific; the loss of capacity for emergency warning broadcasts; and the potential loss of an avenue for diplomacy and the pursuit of Australia's regional interests in the Pacific. Submitters also disputed the ABC's argument that other technologies now available provide greater access to ABC international broadcasts.

Perceived neglect of remote communities in the Pacific

2.4 It was argued in evidence that the ABC's decision to cease shortwave services did not reflect the continuing importance of shortwave for communities in remote and isolated areas in the Pacific.¹ Submitters pointed to the limited opportunities for some communities to access radio broadcasts through the internet, mobile phones and via FM transmissions.

2.5 The Pacific Freedom Forum, for example, commented that 'from the Western border of Papua New Guinea, across the PNG highlands and islands, in all but the main centres in Solomon Islands and Vanuatu, in Fiji and beyond, people rely on shortwave'.² Mr Graeme Dobell, a journalist fellow at the Australian Strategic Policy Institute (ASPI), highlighted that for the people of the South Pacific, shortwave radio is not outdated technology but 'cheap, low tech, resilient, vital in emergencies, and still used beyond the cities'.³

1 Government of the Republic of Vanuatu, *Submission 15*, p. 1; Mr Michael Butler, *Submission 32*, p. 2; Mr Graeme Dobell, *Submission 35*, p. 2; DFAT, *Submission 42*, p. 1; Pacific Freedom Forum, *Submission 45*, p. 2.

2 Pacific Freedom Forum, *Submission 45*, p. 2.

3 Mr Graeme Dobell, *Submission 35*, p. 2.

2.6 Mr Roger Cragg commented particularly on the use of shortwave in Papua New Guinea and stated:

Short Wave is still the only cost effective method of covering 100% of the population in PNG, the majority of whom live in very remote areas and because of the incredible mountainous terrain, cannot possibly be covered by a VHF broadcast service. Certainly, given a great deal of money, anywhere in the world can have a satellite service, but the grass roots people of PNG do not have money. But they do have battery powered Short Wave receivers and replacement batteries can easily be purchased at the local Trade Store.⁴

2.7 Similarly, Mr David Alford, a former broadcast technician, stated that the international target areas for shortwave transmission were:

...mostly pacific islands where infrastructure and information availability [can] be poor or non-existent. The availability of power can be erratic in these island nations and susceptible to storm/natural disasters however with a battery powered radio, transmissions are able to be heard and vital information conveyed...⁵

2.8 Other technologies were seen as providing less available and reliable services in Papua New Guinea and the Pacific. The journalist and commentator Dr Alexandra Wake stated that 'in remote places in the Pacific, particularly in Melanesian nations such as Papua New Guinea, Vanuatu and the Solomon Islands, there is no access to an FM signal, limited internet and, where internet is available, it is expensive'.⁶ It was also stated that, in many areas, FM signals are delivered through low power FM transmitters which have very limited range and are vulnerable to extreme weather events.⁷

2.9 Submitters also questioned the ABC's assertions that very few listeners accessed Radio Australia's shortwave service. Mr Nigel Holmes, for example, argued that 'the ABC has actually, disingenuously, engineered a decline in listenership' by reducing the number of shortwave transmitters and frequencies used, which meant listeners have greater difficulty accessing shortwave and thus 'tune out'.⁸

4 Mr Roger Cragg, *Submission 9*, p. 1.

5 Mr David Alford, *Submission 6*, p. 1.

6 Alexandra Wake, 'Pacific nations lose shortwave radio services that evade dictators and warn of natural disasters', *The Conversation*, December 9, 2016, <https://theconversation.com/pacific-nations-lose-shortwave-radio-services-that-evade-dictators-and-warn-of-natural-disasters-70058> (accessed 15 May 2017).

7 Mr Peter Parker, *Submission 23*, p. 2; Mr John Faulkner, *Submission 29*, p. 4.

8 Mr Nigel Holmes, *Committee Hansard*, 16 June 2017, p. 14.

Response to concerns

2.10 The ABC responded to concerns about access to its broadcasts following cessation of shortwave transmissions. The ABC noted that audience behaviour has changed with many listeners using technologies other than shortwave, for example, internet streaming, FM transmissions and radio streamed via mobile phone.⁹ The ABC cited research which indicated that in Papua New Guinea, FM remains the dominant waveband. In addition, the ABC noted that mobile coverage across Fiji, Samoa, Solomon Islands, Tonga and Vanuatu has jumped from less than half of the population in 2005 to 93 per cent in 2014, the cost of mobile calls declined by one third between 2005 and 2014, and international internet bandwidth jumped over 1500 per cent between 2007 and 2014.¹⁰

2.11 The ABC's data on audience reach in the Pacific reflects these changes. Mr Michael Millet, Head of Government Relations at the ABC, commented:

...in 2016 ABC Online received more than 5½ million visits and nearly 12 million page views from audiences in the Pacific across mobile and web. Radio Australia and Australia Plus Pacific Facebook accounts have more than 64,000 followers. Radio Australia has 2.1 million podcasts downloaded from the region, including 191,000 for the *Pacific Beat* program.¹¹

2.12 In addition, the ABC noted a citizen access report in Papua New Guinea published in June 2014 which stated that there was a 50 per cent decline in shortwave listenership from 2012 to 2014.¹²

2.13 In support of its view that shortwave was no longer a primary means of accessing broadcasts, the ABC stated that it had received very few complaints following the cessation of the international shortwave service.¹³ Mr David Hua, Head of International Audience Strategy, commented that feedback received by the ABC indicated that 'there had been no impact from the cessation of shortwave services' with Radio Australia being received via FM transmissions.¹⁴

9 ABC, *Submission 39*, p. 7.

10 ABC, *Submission 39*, p. 7. See also Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 19.

11 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 17.

12 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 21.

13 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 20. See also Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 22.

14 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 22.

2.14 The ABC also provided information on the data gathering methods it used to determine the size of its shortwave audience in the Pacific. Mr Hua stated that the figure was hard to determine because listeners live in areas that are difficult to survey.¹⁵ Mr Hua also stated that 'it would probably be more costly to do a very comprehensive survey than to provide the service itself—so we have to make some best estimates about this and look at global trends'.¹⁶

2.15 In light of the declining shortwave audience share, the ABC commented that it was a suitable juncture to end shortwave services and to rethink its international audience engagement strategy.¹⁷ However, Mr Millett stated that 'changes in distribution should not be interpreted as a withdrawal from the region'.¹⁸ Rather, the ABC is changing its engagement and content delivery strategies to match audience trends. Mr Millett went on to state:

We are developing a new international strategy that recognises these trends and provides a better service to the region, harnessing the strength of Radio Australia and programs like *Pacific Beat*.¹⁹

2.16 Ms Michelle Guthrie, Managing Director, ABC, informed the committee at the May 2017 Budget Estimates that the ABC is 'looking at a number of different ways of making sure that our transmissions are effectively received across the Pacific'.²⁰ Mr Hua provided further details of the expansion of FM transmission in Papua New Guinea and commented that three new transmitter towers will be located in Bougainville, Mount Hagen and Goroka.²¹

15 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 25.

16 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 21.

17 Mr Michael Millett, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 17.

18 Mr Michael Millett, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 17.

19 Mr Michael Millett, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 17.

20 Ms Michelle Guthrie, Managing Director, ABC, *Budget Estimates Hansard*, 24 May 2017, p. 124.

21 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 22.

Loss of capacity for emergency warning broadcasts

2.17 Submitters raised concerns that, with the loss of shortwave services, crucial emergency warnings would no longer be broadcast to domestic or Pacific audiences.²² It was noted that other forms of media such as FM and digital services can be damaged or be unavailable during a time of crisis because of power failures. In these circumstances, shortwave transmissions from Australia can provide vital information that assists Pacific island nations to prepare for, and respond to, emergencies.²³

2.18 This view was supported by a range of submitters with knowledge of conditions in the Pacific. The Hon Charlot Salwai, Prime Minister of the Republic of Vanuatu, stated that removing the Radio Australia shortwave service to Vanuatu 'could cost many, many lives in the likelihood of a major natural disaster'.²⁴ The Prime Minister went on to comment:

The cost of providing shortwave to our region (said to be around A\$2 million) is very small compared with the huge sums Australia provides to Pacific countries after natural disasters. It could reasonably be stated that Australia's shortwave service helps save Pacific lives and taxpayers' money.²⁵

2.19 The Prime Minister commented on the contribution of Radio Australia's broadcasts during Cyclone Pam and stated that the reliable and comprehensive early warnings and post-disaster information 'assisted communities to prepare for, survive and recover from a terrible natural disaster'.²⁶

Response to concerns

2.18 The Department of Foreign Affairs and Trade (DFAT) acknowledged that in emergencies ABC shortwave services 'deliver warnings and updates, in complement to national disaster warning systems'.²⁷ However, DFAT reiterated that ABC weather broadcasts were never intended to act as replacements for national warning systems. Mr Daniel Sloper, DFAT, commented:

22 Tecsun Radios Australia, *Submission 7*, p. 3; Mr Roger Cragg, *Submission 9*, p. 1; Mr Matthew McKernan, *Submission 17*, pp. 2–4; Mr Michael Butler, *Submission 32*, p. 2; Mr Graeme Dobell, *Submission 35*, pp. 2–4; Pacific Freedom Forum, *Submission 45*, p. 6; ActionAid, *Submission 46*, pp. 1–2.

23 Mr David Alford, *Submission 6*, p. 1; Government of the Republic of Vanuatu, *Submission 15*, p. 1; Mr Matthew McKernan, *Submission 17*, pp. 2–4; Mr Graeme Dobell, *Submission 35*, pp. 2–4; Pacific Freedom Forum, *Submission 45*, p. 6; ActionAid, *Submission 46*, pp. 1–2.

24 Government of the Republic of Vanuatu, *Submission 15*, p. 1.

25 Government of the Republic of Vanuatu, *Submission 15*, p. 1.

26 Government of the Republic of Vanuatu, *Submission 15*, p. 1.

27 DFAT, *Submission 42*, p. 2.

...the ABC broadcasts provided a complementary warning capability there. Their capability relates to weather forecasting. They do not actually broadcast emergency information—that is not part of their charter and it is not part of the practice—but that complementary information is useful sometimes.²⁸

2.20 Mr Sloper went on to note that Australian development programs support international disaster management officers and early warning systems that have been determined by regional governments.²⁹

2.21 The ABC, similarly, argued that while they have taken the opportunity to broadcast weather warnings to the Pacific, it has never been the responsibility of the ABC to do so. Mr Hua commented that the ABC undertakes emergency coverage in the Pacific 'but we do not do emergency broadcast in the sense of what the ABC does locally'.³⁰ It was noted, for example, that during emergencies such as Cyclone Pam in Vanuatu, Radio Australia directed audiences to local sources for on the ground emergency information.³¹

Loss of avenue for diplomacy in the Pacific and Australia's regional interests

2.22 A number of submitters contended that Australian broadcasting services were an avenue for soft diplomacy in the Pacific.³² Submitters also pointed to the high regard for Radio Australia which was seen as providing unbiased, independent news and public affairs broadcasts.³³ The Pacific Freedom Forum commented:

The ABC's shortwave service is valued in the Pacific for its independence and quality and for the role it plays in maintaining media freedom. In a region in which it is all too common for governments to put pressure on their own media or national broadcasters or to resort to censorship, the ABC's dedication to the values of public service broadcasting is an important role model.³⁴

28 Mr Daniel Sloper, First Assistant Secretary, Department of Foreign Affairs and Trade, *Committee Hansard*, 16 June 2017, p. 5.

29 Mr Daniel Sloper, First Assistant Secretary, Department of Foreign Affairs and Trade, *Committee Hansard*, 16 June 2017, p. 6.

30 Mr David Hua, Head, International Audience Strategy, ABC, *Committee Hansard*, 16 June 2017, p. 24.

31 ABC, *Answer to question on notice No. 6*.

32 Mr David Alford, *Submission 6*, p. 2; Mr Michael Butler, *Submission 32*, p. 2; Mr Graeme Dobell, *Submission 35*, pp. 6–8; Mr Nigel Holmes, *Submission 40*, p. 1.

33 Mr Stephen Coleman, *Submission 11*, p. 2; Mr Gary Page, *Submission 12*, p. 2; Mr John Rich and Ms Kathryn O'Brien, *Submission 26*, p. 2; Mr Rodney Champness, *Submission 27*, p. 3; Mr Michael Butler, *Submission 32*, p. 2; Mr Nigel Holmes, *Submission 40*, p. 3.

34 Pacific Freedom Forum, *Submission 45*, p. 5.

2.23 Concerns were also raised about the vulnerability of local transmissions during instances of civil unrest or from government actions. Submitters pointed to the closure of local ABC FM radio stations during the military coup in Fiji in 2009.³⁵ Mr Richard Wiltshire, for example, commented:

The vulnerability of future local Solomon Islands FM transmitters to being switched off at will by governments – or even locally sabotaged, means that they are less likely to allow objective reporting. It is hard to imagine foreign governments accept critical international news broadcasts from local transmitters, or even allowing SIBC to rebroadcast Pacific Beat.³⁶

2.24 However, submitters noted that governments cannot turn off shortwave being broadcast from an offshore source.³⁷

2.25 In terms of regional defence and security strategy goals, Mr Dobell argued that the cessation of shortwave services contradicted other measures the Australian government was implementing in the region to shore up its foreign policy interests. These measures included expenditure of \$3 billion to rebuild the government of Solomon Islands and millions of dollars on aid for Papua New Guinea. Mr Dobell asserted that 'accurate news and information are vital to keeping Pacific peoples informed and engaged'.³⁸

2.26 Mr Dobell also contended that reducing avenues for Australia to export cultural products puts soft diplomacy at risk.³⁹ Mr Dobell drew attention to reports completed by ASPI and the British Council which suggested cultural exports were an effective mechanism for influencing foreign populations.⁴⁰

2.27 These reports also highlighted that internationally a 'great game of the airwaves' is being carried out in which competing powers vie for international

35 Mr Peter Marks, *Submission 18*, p. 3; Mr Graeme Dobell, *Submission 35*, p. 10; Mr Stephen Dowding, *Submission 36*, p. 5; Pacific Freedom Forum, *Submission 45*, p. 5.

36 Mr Richard Wiltshire, *Submission 3*, pp. 4–5.

37 Mr John Faulkner, *Submission 29*, p. 3.

38 Mr Graeme Dobell, *Submission 35*, p. 9.

39 Mr Graeme Dobell, *Submission 35*, pp. 6–8.

40 Mr Graeme Dobell, *Submission 35*, pp. 6–8; see also Geoff Heriot, 'The crowded Pacific: re-considering the sharp edge of broadcasting's soft power', *The Strategist*, 1 May 2017, <https://www.aspistrategist.org.au/crowded-pacific-re-considering-sharp-edge-broadcastings-soft-power/> (accessed 20 May 2017); British Council, 'Influence and attraction: culture and the race for soft power in the 21st century', June 2013, <https://www.britishcouncil.org/organisation/policy-insight-research/research/influence-and-attraction> (accessed 20 May 2017).

audiences.⁴¹ Some submitters echoed this argument, contending that Chinese shortwave broadcasts of news and other information would fill the void left by the ABC, and that consequently it was in Australia's interest to not only continue shortwave broadcasts, but enhance content produced for international audiences.⁴²

Response to concerns

2.28 The committee notes that the ABC has acknowledged previously the importance of broadcasts for international audiences. The Managing Director of the ABC, Ms Michelle Guthrie, discussed the ABC's capacity to wield soft power in an address in August 2016. According to the press release on the ABC's website, 'Ms Guthrie told an audience at the Lowy Institute that the ABC is looking closely at strategies to increase its audience in China, Indonesia and the Pacific, where there will be new content in English and Tok Pisin'.⁴³

2.29 Ms Guthrie also stated that she believed the ABC's approach to soft power was underpinned by its reputation for independence, rather than acting as a medium for government opinion.⁴⁴ Mr Millett reinforced this view and stated that:

One of the great assets the ABC has is that it is regarded as an independent, quality news service. That is very good to distribute to the region.⁴⁵

2.30 The ABC responded to comments about soft power by emphasising that it is the content of programs as well as the distribution of programs that is important.⁴⁶ Mr Millett stated:

The ABC is looking at how it best provides a service based on its content and its many distribution platforms. Yes, we have made changes to some of

41 Mr Geoff Heriot, 'The crowded Pacific: re-considering the sharp edge of broadcasting's soft power', *The Strategist*, 1 May 2017, <https://www.aspistrategist.org.au/crowded-pacific-re-considering-sharp-edge-broadcastings-soft-power/> (accessed 20 May 2017); British Council, 'Influence and attraction: culture and the race for soft power in the 21st century', June 2013, <https://www.britishcouncil.org/organisation/policy-insight-research/research/influence-and-attraction> (accessed 20 May 2017).

42 Mr John Rich and Ms Kathryn O'Brien, *Submission 26*, p. 2; Mr Rodney Champness, *Submission 27*, p. 3; Mr John Faulkner, *Submission 29*, p. 3.

43 Available at <http://www.abc.net.au/news/programs/pacific-beat/2016-08-12/new-content-for-abc-pacific-services:-abc-md/7728940>.

44 Available at <http://www.abc.net.au/news/programs/pacific-beat/2016-08-12/new-content-for-abc-pacific-services:-abc-md/7728940>.

45 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 19.

46 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 19.

those distribution platforms. To an extent, it is about how we best get the mix that provides the best service.⁴⁷

2.31 Mr Millett explained that the ABC is developing an international strategy with all content divisions are contributing to the international service. Mr Millett added:

What we are doing with the new strategy is trying to leverage the entire ABC to provide a bigger range of services. What we would like to do is, in fact, provide iview and our main news service, once we can clear contractual rights, to all our audiences in the region, which I think would be a much better way. It provides a much broader range of services, and provides the best of Australian content. We can leverage across our entire content makers to provide services to the region...⁴⁸

2.32 Specific allocation of ABC services to international audiences sits at approximately \$9.7 million per year.⁴⁹

2.33 The ABC thus presented the case to the committee that, rather than a cessation of services, the end of shortwave signifies a realignment of overall strategy with organisation-wide content, and a renewed engagement by the broadcaster with international audiences.

2.34 DFAT also provided evidence on soft power. Mr Andrew Byrne, First Assistant Secretary, DFAT, stated that the ABC's broadcasts 'into the region contribute to a broader perception of Australia as engaged in the Pacific and as a country that cares about the Pacific...it is one of many elements, one of many factors, that contribute towards a positive perception of Australia in the Pacific'.⁵⁰

2.35 In its submission, DFAT stated that the ABC's services to the Pacific advanced Australian public diplomacy and that it 'has strongly encouraged the ABC to maintain broadcasts throughout the region that maintain quality of service for Pacific audiences'.⁵¹ Mr Sloper informed the committee that DFAT 'left the decision about the technology to the ABC' because DFAT does not have 'the expertise on the particular technology'.⁵²

47 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 28.

48 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 27.

49 ABC, *Answer to question on notice No. 10*.

50 Mr Andrew Byrne, First Assistant Secretary, Department of Foreign Affairs and Trade, *Committee Hansard*, 16 June 2017, p. 2.

51 DFAT, *Submission 42*, p. 2.

52 Mr Daniel Sloper, First Assistant Secretary, Department of Foreign Affairs and Trade, *Committee Hansard*, 16 June 2017, p. 2.

2.36 Mr Sloper also commented that DFAT did not consider that coverage in most of the region had been lost and added:

Our understanding is that the ABC is looking to further its coverage through other technologies. Shortwave certainly has a certain coverage that other technologies do not, but I do not think, in terms of projection of information about Australia, that there is a significant drop-off.⁵³

Cessation of the domestic shortwave services

2.37 The committee received submissions which raised concerns about the impact on domestic audiences arising from the cessation of domestic shortwave services. The concerns reflected those canvassed extensively in the committee's inquiry into the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 and included that certain segments of the Australian audience were being neglected in terms of the ABC's radio coverage, and the reliability of shortwave emergency broadcasts in extreme weather events such as cyclones.⁵⁴

Issues raised in relation to the bill

2.38 Some submitters commented on the provisions of the bill and suggested possible amendments to the bill.

Proposed subsection 27A(1)

2.39 With regard to the requirements for domestic services proposed under subsection 27A(1) of the bill, Mr Stephen Dowding suggested making the requirements more explicit to mandate that the towns of Katherine, Tennant Creek and Alice Springs be the centres for local radio broadcasts. Mr Dowding also suggested that the primary local radio programme in each centre be broadcast over an area of 450km radially from each centre.⁵⁵ Mr Alan Hughes advocated that the broadcast should extend to the territorial limit, that is, up to 370 km from the shoreline.⁵⁶

2.40 Another submitter suggested that the bill needed to incorporate a degree of flexibility to 'optimise or improve the efficiency of the restored services'.⁵⁷ Specific measures proposed by this submitter included:

- transmission of all services from Shepparton;
- a reduced number of transmitters in the Northern Territory;

53 Mr Daniel Sloper, First Assistant Secretary, Department of Foreign Affairs and Trade, *Committee Hansard*, 16 June 2017, p. 2.

54 Senate Environment and Communications Legislation Committee, *Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015*, April 2017.

55 Mr Stephen Dowding, *Submission 36*, p. 6.

56 Mr Alan Hughes, *Submission 31*, p. 4.

57 Name Withheld, *Submission 44*, p. 10.

- restoration of services from mothballed facilities; and
- temporary contracting of a portion of the service provision from an internationally located transmitter.⁵⁸

2.41 Mr Dowding also suggested amendments which would require that the program broadcast in each primary coverage area must be sourced from the ABC Local Radio network as broadcast in the town at the centre of coverage area. As a consequence, if Alice Springs and Tennant Creek shared the same programming, one transmitter could be used to serve both coverage areas.⁵⁹ Mr Dowding went on to comment that it was possible for the ABC to cover the southern and central parts of the Northern Territory using a shortwave site located interstate. He stated that 'given that both the Tennant Creek and Alice Springs transmitters carry the same programme feed it is wasteful to have two transmitters running provided thatn interstate-based service does not reduce the service quality'.⁶⁰

Proposed subsection 27A(2)

2.42 With regard to the proposed reinstatement of shortwave services to Papua New Guinea and parts of the Pacific, Mr Dowding suggested the bill be amended to specify the target countries and boundaries or to list the target countries.⁶¹ Mr Darryl Fallow similarly commented that the proposed requirement was 'a bit "open"' as the bill does not specify which parts of the Pacific must be served.⁶² In order to clarify this requirement, Mr Hughes suggested that the bill be amended to require transmission to all International Telecommunications Union Region 3 countries.⁶³

2.43 Mr Fallow submitted that the bill should be amended to require that three 'active' transmitters with appropriate frequencies be required to address any ambiguity in the requirement.⁶⁴

Sunset provision

2.44 One submitter, while supporting the proposed amendments, described the amendments as 'extraordinary, in the circumstances, since they direct the ABC in [a] manner not normally appropriate given its governance structure'. The submitter, therefore, argued that the bill 'should also contemplate a mechanism to remove the prescriptive nature of the direction of the amendments provide as they will become

58 Name Withheld, *Submission 44*, p. 10.

59 Mr Stephen Dowding, *Submission 36*, p. 6.

60 Mr Stephen Dowding, *Submission 36, Supplementary Submission*, p. 1.

61 Mr Stephen Dowding, *Submission 36*, p. 6.

62 Mr Darryl Fallow, *Submission 4*, p. 4.

63 Mr Alan Hughes, *Submission 31*, p. 5; pp. 5–8.

64 Mr Darryl Fallow, *Submission 4*, p. 5.

overly restrictive and inappropriate once more considered analysis of the evolution of these aspects of the ABC's broadcast services has occurred'.⁶⁵

ABC response to the bill

2.45 The ABC does not support the bill and argued that if passed, the bill would impinge on its independence by directing it to utilise certain broadcast technologies that have limited and diminishing audiences.⁶⁶ The ABC went on to note that section 25 of the ABC Act makes it clear that the ABC is responsible for managing its programs and services, including the management of its transmissions services, without external interference.⁶⁷

2.46 Mr Millett further explained the ABC's position and commented:

Legislation which overrides the board's responsibilities and forces the corporation to commit to certain technologies which have limited utility and forces it to do this over an extended period is at odds with that charter mission. It denies the ABC the ability to use savings to deploy to other technologies or to invest in new content.⁶⁸

2.47 The ABC also highlighted that, should the bill be passed, there would be significant consequences for the ABC.

- The reconstitution of terminated transmission contracts—the ABC noted that the former shortwave services were delivered by Broadcast Australia International (BAI). Reinstatement of shortwave services would require the ABC to negotiate new contracts 'at a commercial disadvantage' as the ABC would have little choice but to accept the terms set out by BAI in order to fulfil the requirements of the amendments.⁶⁹
- Transmission infrastructure—the ABC commented that it has no oversight of BAI's international shortwave transmission facilities at Shepparton and it is possible that the facilities have been decommissioned by BAI 'due to the paucity of demand for shortwave transmitters and the equipment repurposed for alternative transmission purposes'.⁷⁰
- Provision of costly shortwave broadcasts to diminishing audiences—the ABC emphasised that it is expert in the field of broadcasting and should be free to determine the best methods of transmitting its services and to be responsive to technological and audiences changes. The reinstatement of shortwave services

65 Name Withheld, *Submission 44*, pp. 9–10.

66 ABC, *Submission 39*, p. 2.

67 ABC, *Submission 39*, p. 8.

68 Mr Michael Millet, Head, Government Relations, ABC, *Committee Hansard*, 16 June 2017, p. 17.

69 ABC, *Submission 39*, p. 9.

70 ABC, *Submission 39*, p. 9.

would cost approximately \$4 million per annum which require funding to be divested from elsewhere, potentially at the expense of other ABC programs and services.⁷¹

2.48 The ABC raised a number of issues in relation to the requirement in proposed paragraph 27A(2)(c) that the ABC 'broadcasts programs in languages appropriate for the countries to which they are broadcast'. It stated that the proposed paragraph does not define which countries are to be covered by this proposal nor does it recognise that some countries have numerous dialects.⁷²

2.49 The ABC went on to comment:

Should the current Paragraph 27A(2)(c) be passed into law, it would require the ABC to expend significantly more resources than it did or currently does on servicing an unspecified international audience in their "appropriate" language. With no additional funding, it is clear that such an impost would, against the ABC's wishes, necessarily come at the expense of the ABC's domestic audience.

The inclusion of Paragraph 27A(2)(c) also impinges upon the ABC's independence to make programming decisions, prescribing not only the technology utilised to broadcast Radio Australia programs to the audience, but also imposing certain, albeit unspecified, content requirements on the Corporation.⁷³

Committee view

2.50 The committee is of the view that the measures proposed in this bill are not an appropriate way to address the concerns raised by some submitters about the cessation of the ABC's shortwave services.

2.51 In relation to the cessation of domestic shortwave services, the committee considers that the recommendations made in its report on the Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015 will address many of the concerns raised by those living in rural and regional communities. The committee also notes the ABC's commitment to the delivery of improved services through the allocation of funding for up to 80 new content roles in regional Australia.⁷⁴

2.52 Regarding concerns about the cessation of the international shortwave service, the committee notes that the ABC is working to ensure its continued presence in international broadcasting by developing a new international strategy across all its

71 ABC, *Submission 39*, p. 9.

72 ABC, *Submission 39*, p. 10.

73 ABC, *Submission 39*, p. 11.

74 Senate Environment and Communications Legislation Committee, *Australian Broadcasting Corporation Amendment (Rural and Regional Advocacy) Bill 2015*, April 2017.

content divisions. The ABC is also expanding the provision of broadcasts through an array of technologies and investing in more FM transmitters in Papua New Guinea. The new strategy will enable the ABC to align its services to the way in which audiences access news, current affairs and other programs. The committee supports the ABC's approach to ensuring that it remains a recognisable source of independent, high quality broadcasting in Papua New Guinea and the Pacific.

2.53 The committee acknowledges the concerns expressed by some submitters that emergency broadcasts will no longer be received by certain domestic and overseas audiences. However, it is not the sole responsibility of the ABC to ensure that communities, especially communities outside Australia, are briefed on weather warnings. Rather, this responsibility lies with government authorities with ABC broadcasts serving as an alternative source of emergency information.

2.54 The committee is also concerned that the measures in the bill would, if enacted, impinge on the independence of the ABC and could lead to increased costs. While the committee notes that the proposed amendments do not affect the ABC's editorial independence, the committee is not convinced that dictating the broadcaster's choice of technology is in line with the established tradition and understanding of independence that has been fostered over many decades. The ABC has made the decision to terminate its shortwave broadcasts, and is seeking a modern and efficient way forward for the dissemination of content, which are legitimate activities for the broadcaster to undertake.

2.55 The committee therefore does not support the bill. However, the committee emphasises that it will continue to monitor developments in this area. In particular, the committee's Senate estimates hearings will facilitate ongoing scrutiny of the ABC's commitment to the delivery of improved services to regional Australia and the effectiveness of the ABC's new international strategy.

Recommendation 1

2.56 The committee recommends that the Senate not pass the bill.

Senator Linda Reynolds CSC
Chair